

House of Representatives, April 14, 1998. The Committee on Finance, Revenue and Bonding reported through REP. SCHIESSL, 60th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING LOW INCOME HOUSING TAX CREDITS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (i) of section 8-395 of  
2 the general statutes, as amended by section 13 of  
3 public act 97-295, is repealed and the following  
4 is substituted in lieu thereof:

5 (i) In no event shall the total amount of all  
6 tax credits allowed to all business firms pursuant  
7 to the provisions of this section exceed [one]  
8 THREE million dollars in any one fiscal year. AT  
9 LEAST ONE MILLION DOLLARS OF THE TAX CREDITS  
10 ALLOWED PURSUANT TO THE PROVISIONS OF THIS SECTION  
11 SHALL BE RESERVED FOR NONPROFIT CORPORATIONS THAT  
12 RENOVATE AND RESTORE RENTAL HOUSING WHICH THEY  
13 HAVE COMMITTED TO OWN AND OPERATE FOR AT LEAST TEN  
14 YEARS.

15 Sec. 2. Subsection (k) of section 8-395 of  
16 the general statutes, as amended by section 13 of  
17 public act 97-295, is repealed and the following  
18 is substituted in lieu thereof:

19 (k) No organization conducting a housing  
20 program or programs eligible for funding with  
21 respect to which tax credits may be allowed under  
22 this section shall be allowed to receive an  
23 aggregate amount of such funding for any such

24 program or programs in excess of [three] FOUR  
25 hundred thousand dollars for any fiscal year.

26	HSG	COMMITTEE VOTE:	YEA 9	NAY 0	JFS	C/R	PD
27	PD	COMMITTEE VOTE:	YEA 19	NAY 0	JFS	C/R	FIN
28	FIN	COMMITTEE VOTE:	YEA 45	NAY 0	JF		

\* \* \* \* \*

"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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## FISCAL IMPACT STATEMENT – BILL NUMBER SHB 5457

STATE IMPACT	Potential Revenue	Loss,	see
	explanation below		

MUNICIPAL IMPACT None

STATE AGENCY(S) Department of Revenue Services

EXPLANATION OF ESTIMATES:

There is a potential revenue loss of \$2 million per fiscal year as a result of increasing the annual amount of low income housing tax credits from \$1 million to \$3 million.

The latest data available shows that there were 22 businesses which applied \$971,000 of low income housing tax credits against their 1995 Corporate Income Tax Liability.

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## OLR BILL ANALYSIS

SHB 5457

# AN ACT CONCERNING LOW INCOME HOUSING CREDITS

**SUMMARY:** This bill raises the funding limits governing the low-income housing tax credit program, which provides corporate tax credits to companies making contributions to nonprofit organizations developing low- and moderate-income housing. The Connecticut Housing Finance Authority (CHFA) administers the program.

Specifically, the bill raises, from \$1 million to \$3 million, the annual limit on the total amount of tax credits CHFA can approve. It also requires CHFA to earmark at least \$1 million of this amount for companies that contribute to nonprofit organizations that renovate and restore rental housing that they have committed to own and operate for at least 10 years.

The bill also raises, from \$300,000 to \$400,000, the annual limit on the total amount of contributions a nonprofit organization can receive under the program.

EFFECTIVE DATE: October 1, 1998

**COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute Change of Reference  
Yea 9 Nay 0

Planning and Development Committee

Joint Favorable Substitute Change of Reference  
Yea 19 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report  
Yea 45 Nay 0